

Quarterly Financial Review (Jul '08)

Office of Medicaid Policy & Planning



"People helping people help themselves"

Office of Medicaid Policy & Planning

Dr. Jeff Wells

Director

Quality & Outcomes

Dr. Caroline Carney Doebbeling

Director

Office of Medicaid Policy & Planning

Terri Willits, CPA

Controller



State of Indiana

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THURSDAY, JULY 24, 2008 ★ "Where the spirit of the Lord is, there is liberty" II COR. 3:17 ★ 50 CENTS ★ CITY FINAL

EDITORIAL

Give state leaders credit for all-time high rating

State legislators and then-Gov. Joe Kernan had churned through nearly every budget gimmick at their disposal by the fall of 2004.

Payments to public schools, universities and local governments — \$715 million worth — had been delayed indefinitely. A one-time dose of \$250 million in federal aid, thrown into the budget gap, already had been expended. The state also had dipped into Teachers Retirement Fund reserves, pulling out \$380 million to meet current obligations.

Yet, despite running through maneuvers that bordered on desperation, the state still faced a budget shortfall of more than \$800 million. Analysts also were pessimistic about the state's ability to grow its way out of the budget mess because of an old-school economy, dependent on a traditional manufacturing sector long in decline.

The fiscal climate of four years ago needs to be kept in mind when assessing the significance of Standard & Poor's decision this week to award a first-ever AAA bond rating to Indiana.

Our position:
State rewarded for taking reasonable chances to bring budget under control.

Yes, the savings to taxpayers that will come with the higher rating — including \$850,000 a year on Lucas Oil Stadium and the convention center expansion — are worth celebrating.

But perhaps even more important is the fact that a respected independent firm has validated several difficult, controversial decisions that Gov. Mitch Daniels and the General Assembly made to bring Indiana's budget back into balance.

One of those decisions involved capping annual growth in the Medicaid budget at 5 percent (both projections and past experience called for 10 percent

growth). Critics said it couldn't be done, at least not without inflicting undue pain on Indiana's poorest and sickest residents. The cap, however, worked, bringing under control a line item that would have otherwise wrecked the budget. In the interim, the state created a promising health insurance program for low-income Hoosiers that is funded through a cigarette tax increase.

The lease of the Indiana Toll Road continues to draw fire, but the \$3.8 billion in capital leveraged through the deal has enabled the state to make much-needed improvements in infrastructure while handing off management of an underperforming asset.

In announcing Indiana's higher bond rating, Standard & Poor's noted that the state's economy now is more diversified than in past years. That's not by accident. The state, starting in the O'Bannon administration, began pushing growth in the life sciences, logistics, advanced manufacturing and high-tech sectors.

Bottom line? Indiana's leaders took reasonable chances, making hard and sometimes unpopular choices. Now, all Hoosiers are set to reap the rewards.

Capping Annual Growth in Medicaid to 5%

"Critics said it couldn't be done, at least not without inflicting undue pain on Indiana's poorest and sickest residents.

The cap, however, worked, bringing under control a line item that would have otherwise wrecked the budget. In the interim, the state created a promising health insurance program for low-income Hoosiers that is funded through a cigarette tax increase.

THE WALL STREET JOURNAL.

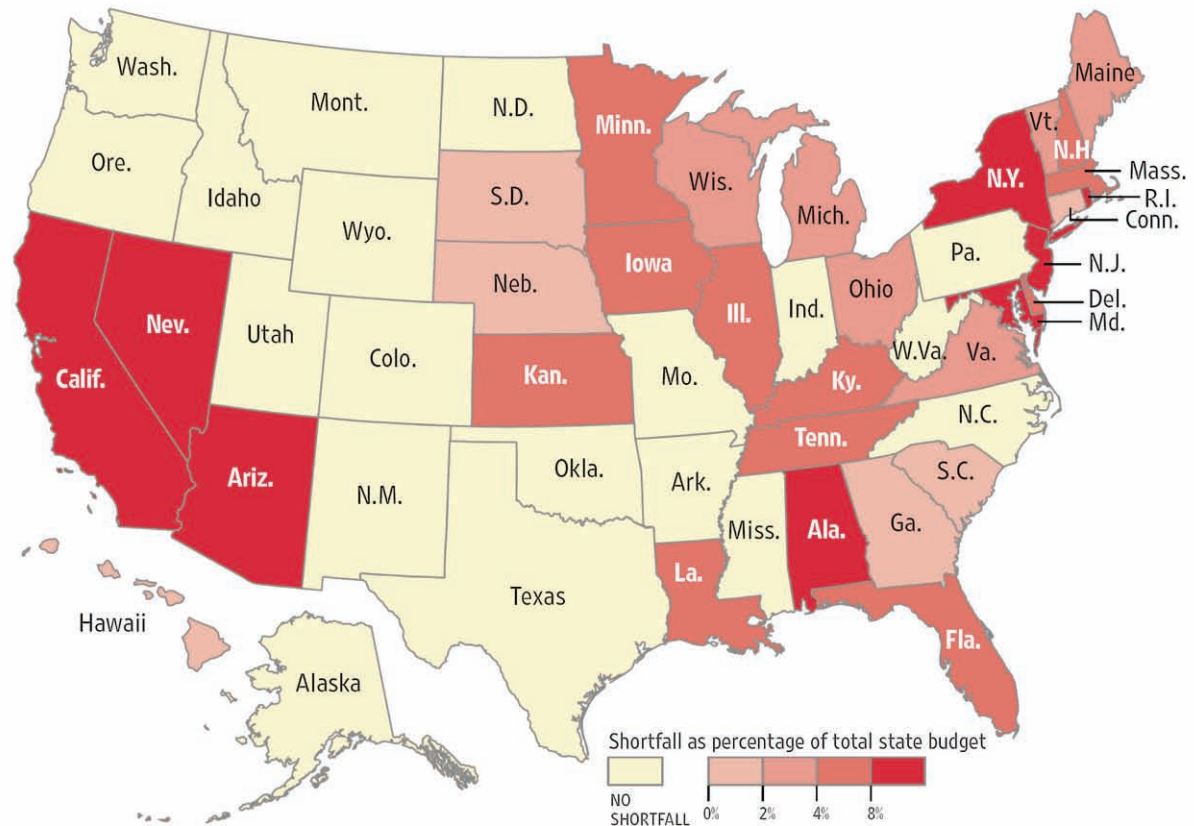
THURSDAY, JULY 24, 2008 - VOL. CCLII NO. 20

States Slammed by Tax Shortfalls

BY CONOR DOUGHERTY,
AMY MERRICK
AND ANTON TROIANOVSKI

Strapped in America

Size of shortfall faced by states as they prepared budgets for the fiscal year that began July 1.



Note: Fiscal year ends June 2009

Source: National Conference of State Legislatures

Agenda



- Financial Overview
- OMPP Mission and Structure
- Review of SFY 2008 Accomplishments
- Overview of SFY 2009 Strategic Initiatives
 - Hoosier Healthwise Quality Updates
 - CareSelect Assessment Overview & Plans for SFY 2009
 - Healthy Indiana Plan: Reaching Enrollment Milestones

Quarterly Financial Review



Medicaid Financials

Total Medicaid - Division Summary

June-08

4 Tuesdays in Month

(Values Illustrated in Thousands)

Expenditures

Division of Aging

DMHA

DDRS

Adult and Child Services

Other OMPP Populations

Other OMPP Expenditures and Collections

Total - Expenditures

Per Enrollee

Estimated Enrollees

Cost per Enrollee per Month

Current Month Actual	SFY 2008		Variance	SFY 2009 Budget
	Actual Spent	Budget		
107,297	1,387,894	1,446,353	58,460	1,525,266
28,386	361,862	387,840	25,978	389,898
61,641	786,266	808,449	22,183	875,066
125,401	1,556,069	1,573,775	17,706	1,885,042
40,680	720,285	754,344	34,059	807,589
16,885	107,173	127,846	20,673	151,186
380,290	4,919,550	5,098,608	179,058	5,634,047

904,991	884,879	882,388	(2,491)	954,653
\$420	\$463	\$482	\$18	\$492

Note: QFR does not represent bottom line State appropriations.

Items not presented in QFR include non-claim related expenditures,
inter-governmental transfers, refunds to providers, FQHC & RBMC payments,
and other year end transactions.

Total Medicaid - Detail Summary

June-08
4 Tuesdays in Month

Expenditures

Division Program Services

Nursing Facility	81,684,226	1,043,011,497	1,090,108,572	47,097,076	1,079,138,089
Hospice	4,847,660	53,236,816	49,020,190	(4,216,627)	57,503,348

Waiver Services

Aged and Disabled Waiver	4,371,045	59,567,672	64,952,776	5,385,104	91,422,812
MFP Demonstration Grant	0	0	437,816	437,816	2,411,714
TBI	225,862	3,480,286	3,994,523	514,238	5,131,493
Autism	1,123,613	13,964,778	13,853,878	(110,900)	15,797,392
Support Services	1,791,936	24,030,870	29,201,266	5,170,396	28,532,847
DD Waiver	30,843,112	406,211,249	409,018,954	2,807,705	456,557,976
SED Waiver	0	7,130	2,415	(4,715)	0

Subtotal - Waiver Services	38,355,567	507,261,984	521,461,628	14,199,644	599,854,234
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DDRS Targeted Case Management	1,383,519	16,203,308	17,983,441	1,780,133	18,261,467
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ARCH - Aging and MRO	195,778	4,692,821	4,288,632	(404,190)	4,882,226
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ICF/MR

Small Group Homes	20,613,033	249,336,896	256,555,320	7,218,424	267,316,491
Large Private Facilities	1,326,538	17,369,432	17,108,713	(260,720)	17,644,985
State ICF/MR (without Fort Wayne)	1,730,653	23,591,949	22,429,632	(1,162,318)	23,767,194
Fort Wayne ³	0	7,773,458	0	(7,773,458)	0
Muscatatuck ³	(11,494,503)	(11,494,503)	0	11,494,503	0

Inpatient Psychiatric	3,178,502	30,457,692	31,762,757	1,305,065	34,065,163
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Mental Health Rehabilitation⁴

RBMC	6,031,994	79,313,116	88,999,990	9,686,875	84,443,932
Traditional	14,383,177	187,874,038	200,556,198	12,682,160	197,279,505

Other Mental Health Services

PRTF Facility	1,926,080	24,754,397	27,135,553	2,381,156	28,720,755
CA - PRTF	2,721,575	35,187,070	34,104,871	(1,082,198)	34,481,728
	24,231	45,368	1,356,168	1,310,800	5,396,558

Managed Care Capitation Payments

Adult	25,114,929	313,145,208	316,796,661	3,651,453	340,004,304
Children	55,246,877	653,131,059	650,307,108	(2,823,951)	694,767,380
Mothers	6,193,732	109,961,051	109,196,421	(764,630)	120,518,475
CHIP	6,618,422	77,203,713	75,770,184	(1,433,530)	87,087,866

Healthy Indiana Plan

HIP Capitation Payments	3,390,120	7,859,704	7,859,704	0	148,128,589
HIP POWER Accounts	2,796,284	10,181,124	10,181,124	0	38,260,911
HIP ESP Expenditures	7,473	20,969	20,969	0	15,727,785

Continued on Page 7

Total Medicaid - Detail Summary

June-08
4 Tuesdays in Month

Expenditures

PCCM Admin Fees

State Plan Services⁵

Hospital Services

Inpatient Hospital

Outpatient Hospital

Rehabilitation Facility

Non-Hospital Services

Physician Services²

Lab and Radiology Services

Other Practitioner Services

Clinic Services

DME/Prosthetics

Medical Supplies

Transportation

Other Non-Hospital

Pharmacy

Prescribed Drugs

OTC Drugs¹

Dental Services

RBMC

Traditional

Home Health Services

Targeted Case Management

First Steps

Subtotal - State Plan Services

Other Expenditures and Collections

Medicare Buy-in Payments

Part D Clawback Payments

Pharmacy Rebates

TPL

CHIP II Premiums

MedWorks Premiums

Delayed Payments⁶

Total - Expenditures

Current Month Actual	SFY 2008		Variance	SFY 2009 Budget
	Actual Spent	Budget		
639,340	4,056,039	4,575,459	519,420	14,382,730
22,369,813	345,926,599	347,667,962	1,741,363	376,362,964
7,908,651	117,726,028	119,147,356	1,421,328	135,277,955
822,154	11,583,795	10,322,421	(1,261,374)	11,147,667
7,725,277	112,022,314	141,359,959	29,337,645	132,712,709
2,178,173	25,716,446	27,910,134	2,193,689	29,892,267
389,946	5,490,815	5,235,193	(255,622)	5,946,966
3,504,022	50,042,781	49,833,524	(209,257)	54,950,445
2,767,715	38,421,628	39,223,268	801,640	42,662,691
3,000,478	38,267,335	36,242,295	(2,025,040)	41,736,796
2,607,120	36,691,086	39,434,308	2,743,222	42,339,233
2,068,914	24,715,388	26,016,135	1,300,748	27,894,529
22,028,816	291,711,018	306,626,078	14,915,059	343,817,714
445,479	6,667,542	10,358,042	3,690,500	6,471,663
8,465,108	118,158,835	119,171,851	1,013,016	130,407,257
2,578,410	38,790,002	40,421,588	1,631,585	43,312,679
6,942,977	96,165,079	103,235,046	7,069,967	134,489,810
249,432	3,098,525	2,804,669	(293,856)	2,790,947
437,317	7,007,177	8,172,759	1,165,582	9,013,207
96,489,803	1,368,202,393	1,433,182,588	64,980,195	1,571,227,497
13,101,831	156,645,947	157,847,832	1,201,885	163,725,007
7,399,208	89,039,552	92,320,945	3,281,393	89,724,999
(1,776,579)	(118,649,870)	(95,044,408)	23,605,462	(110,144,887)
(1,408,889)	(14,094,520)	(21,550,130)	(7,455,611)	(15,573,408)
(306,478)	(4,112,198)	(4,065,253)	46,945	(4,768,956)
(124,169)	(1,655,675)	(1,663,236)	(7,561)	(1,777,076)
0	0	0	0	30,000,000
380,289,933	4,919,549,838	5,098,607,634	179,057,796	5,634,046,890

Per Enrollee

Estimated Enrollees

Cost per Enrollee per Month

904,991	884,879	882,388	(2,491)	954,653
\$420	\$463	\$482	\$18	\$492

1. Paid amounts for OTC Drugs were lower than budgeted due to the reassignment of certain expenditures into category of service "0803" (Medical Supplies line item).
2. A portion of the favorable fiscal year variance for physician services is due to allocation of 70% of HCI physician funds to health plan physicians. There is a corresponding negative variance for capitation.
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4. As follows, final closeout billing for Muscatatuck
5. FFS Physician bonuses were paid as a manual payment, leading to favorable MFR variance.
6. Unreconciled prior year carry over.

June QFR Variance Analysis
Total Medicaid Detail Summary

Agency	Line Item Name	Actual Spent YTD	Budget YTD	Variance Amount	Variance Type	Variance Explanation
Aging	Nursing Facility	1,043,011,497	1,090,108,572	47,097,075	Favorable	<ul style="list-style-type: none"> Forecast assumed a modest rate increase effective October 07. The actual rate change was mild decrease. Population decrease due to recipients transitioning to the Aged & Disabled waiver. \$8 million recoupment of crossover payments related to services incurred 2001 & 2002.
DMHA	Mental Rehab: RBMC & Traditional	267,187,154	289,556,188	22,369,034	Favorable	<ul style="list-style-type: none"> Variance attributable to discontinued program at Dunn Center. Utilization is lower than anticipated. Expenses are fully offset by IGTs.
Aging/DMHA/DRS/OMPP	State Plan Services: Non-Hospital/Physician Services	112,022,314	141,359,959	29,337,645	Favorable	<ul style="list-style-type: none"> \$4.5 million of the variance is attributable to allocation of 70% of HCI physician funds to health plan physicians. \$1.2 million of the variance is attributable to lower than expected utilization of HPV vaccine. Utilization is emerging lower than expected. Physician bonus of \$11.1 million paid out in March as a manual check. Forecast assumed payment to be made as a claim.

June QFR Variance Analysis
Total Medicaid Detail Summary

Agency	Line Item Name	Actual Spent YTD	Budget YTD	Variance Amount	Variance Type	Variance Explanation
Aging/DMHA/D DRS/OMPP	State Plan Services: Pharmacy/Prescribed Drugs	291,711,018	306,626,078	14,915,060	Favorable	Variance attributable to effective Preferred Drug List(PDL) management, an efficient State MAC program and mandatory generic substitution.
OMPP	Pharmacy Rebates (Revenue)	(118,649,870)	(95,044,408)	23,605,462	Favorable	<ul style="list-style-type: none"> ◦ The Deficit Reduction Act changes to AMP (average manufacturer price) calculations have increased manufacturer rebate liability thus resulting in increased URA's (unit rebate amounts). ◦ The Deficit Reduction Act required collection of NDC's (national drug codes) for the top 20 multiple-source physician administered drugs, in addition to the single source drugs we already collect on. We implemented the bulk of this requirement on 8/1/07. We chose to apply the requirement to all multiple source drugs in order to maximize rebate collections. Hospital outpatient claim requirements go into effect on 7/1/08 as allowed per a CMS waiver. The net result of these changes is that we are now able to identify the specific drug manufacturers and thus invoice them for drug rebates that were not available in the past. ◦ Variance attributable to unbudgeted \$11 million in additional rebates for SYF2008. Interest will be collected on the \$11 million additional rebates in the amount of \$85,000.
OMPP	TPL (Revenue)	(14,094,520)	(21,550,130)	(7,455,610)	Unfavorable	The variance is attributable to the decrease in paid claims as the population moves toward managed care. It is anticipated that TPL will continue to decrease. Focus will shift to cost avoidance.

Total Medicaid - Delivery System Summary

February-08
4 Tuesdays in Month

Expenditures

Adults and Children - Hoosier Healthwise, Traditional and HIP

Adult	31,075,537	400,717,489	407,831,304	7,113,815	431,965,864
Children	74,880,005	932,059,681	947,998,454	15,938,773	999,054,578
Mothers	8,975,378	149,722,950	150,464,127	741,177	167,653,736
CHIP Programs	9,269,611	115,034,905	112,227,200	(2,807,705)	127,086,862
Healthy Indiana Plan (HIP)	6,193,877	18,061,797	18,061,797	0	202,117,285

Aged, Blind and Disabled - Care Select, Partial and Traditional

Care Select and Care Select Potentials	78,806,337	1,054,519,805	1,093,197,639	38,677,834	1,229,752,196
Traditional	48,070,867	648,193,936	692,404,031	44,210,095	761,224,113
Partial	433,672	4,636,633	4,451,101	(185,533)	5,324,540

Institutionalized Populations

105,503,947	1,484,736,584	1,539,837,600	55,101,016	1,553,799,812
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ARCH - Aging and MRO

195,778	4,692,821	4,288,632	(404,190)	4,882,226
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Other Expenditures and Collections

16,884,923	107,173,236	127,845,751	20,672,514	151,185,679
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Total - Expenditures

380,289,933	4,919,549,838	5,098,607,634	179,057,796	5,634,046,890
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Per Enrollee

Estimated Enrollees

Cost per Enrollee per Month

904,991	884,879	882,388	(2,491)	954,653
\$420	\$463	\$482	\$18	\$492

Total Medicaid - Delivery System Summary Average Per Member Per Month

June-08
4 Tuesdays in Month

Expenditures

Adults and Children - Risk-based Managed Care

Adult	\$322.42	\$340.37	\$347.44	\$7.07	\$358.58
Children	\$160.87	\$165.69	\$168.73	\$3.03	\$173.75
Mothers	\$437.91	\$658.83	\$666.02	\$7.20	\$711.64
CHIP Programs	\$136.60	\$138.20	\$141.39	\$3.19	\$145.59

Adults and Children - Fee-for-Service

Adult	\$195.83	\$238.58	\$245.97	\$7.39	\$252.26
Children	\$152.95	\$183.44	\$190.08	\$6.64	\$194.20
Mothers	\$201.66	\$236.27	\$249.50	\$13.23	\$258.86
CHIP Programs	\$96.16	\$115.80	\$98.88	(\$16.92)	\$116.40

Adults and Children - Healthy Indiana Plan

Childless Adults	\$543.31	\$692.96	\$692.96	\$0.00	\$381.41
Parents	\$393.23	\$521.57	\$521.57	\$0.00	\$336.72
ESP	\$287.42	\$187.22	\$187.22	\$0.00	\$3,055.40

Aged, Blind and Disabled - Care Select, Partials and Traditional

Care Select and Care Select Potentials	\$1,062.78	\$1,201.97	\$1,208.28	\$6.31	\$1,267.07
Traditional	\$585.02	\$673.34	\$722.64	\$49.30	\$777.96
Partials	\$13.67	\$12.56	\$12.25	(\$0.32)	\$13.06

Institutionalized Populations

	\$3,181.55	\$3,695.39	\$3,806.87	\$111.48	\$3,907.80
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1. PMPM's exclude Other Expenditures and Collections and ARCH.

Quarterly Financial Review



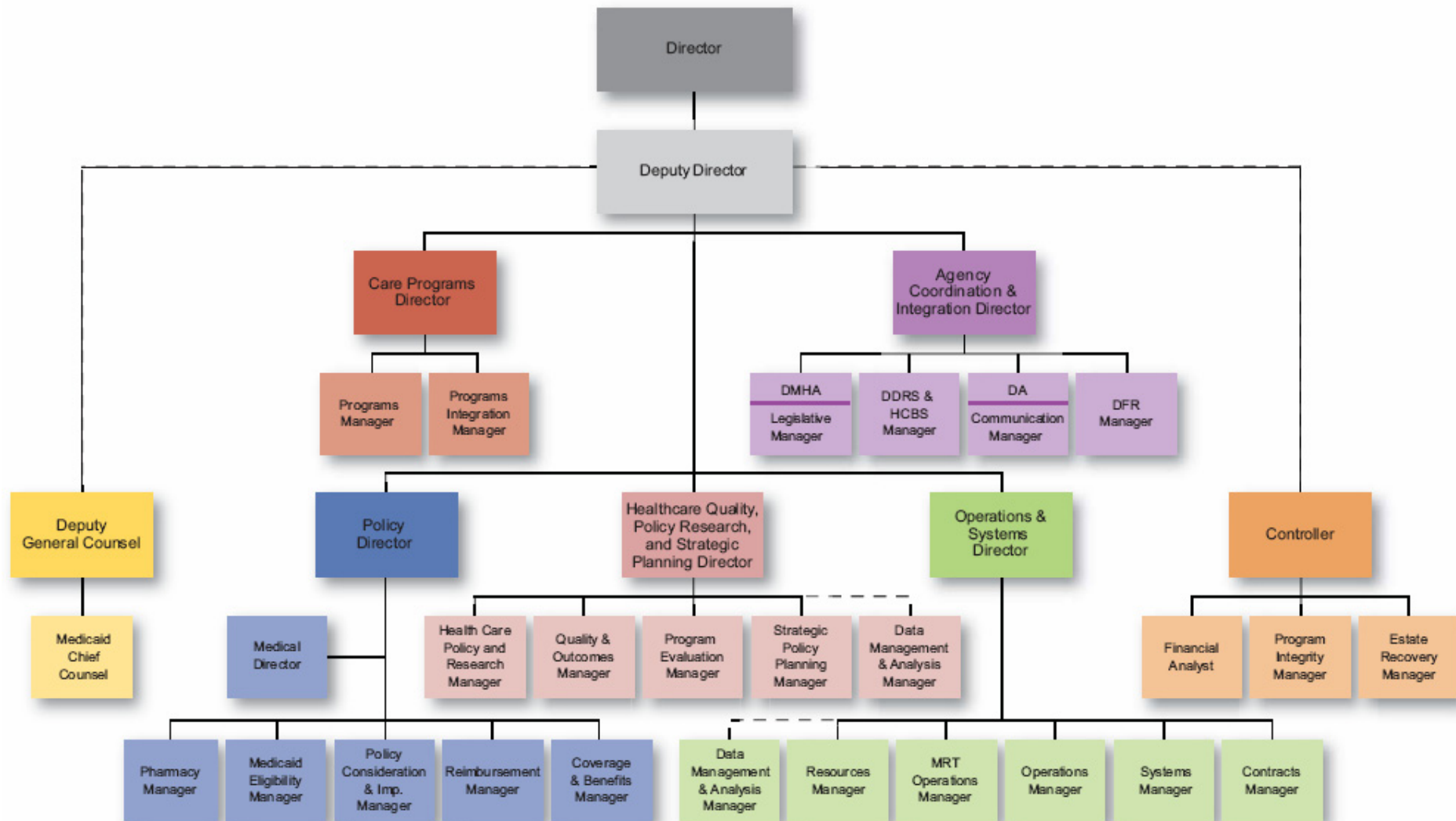
Accomplishments & Actions

OMPP Mission Statement



- Value-Driven Healthcare
 - Universal Coverage – Individual enfranchisement over institutional entitlement
 - Four Cornerstones
 - Interoperable Health Information Technology
 - Measure and Publish Quality Information
 - Measure and Publish Price Information
 - Promote Quality and Efficiency of Care
- Data Management and Analysis
- Fiscal Discipline
- Program Integrity
- Streamline Processes

OMPP Organizational Chart



2008 SFY Accomplishments



- Pregnancy Eligibility Expanded to 200% FPL—July 2007
- Continuous Eligibility—November 2007
- Care Select Program – November 2007
- Healthy Indiana Plan –January 2008
- Physician & Dentist Reimbursement Increase— January 2008
- Transformation Grant: Health Information Exchange – January 2008
- CMS Approval for SCHIP Expansion to 250% FPL—May 2008

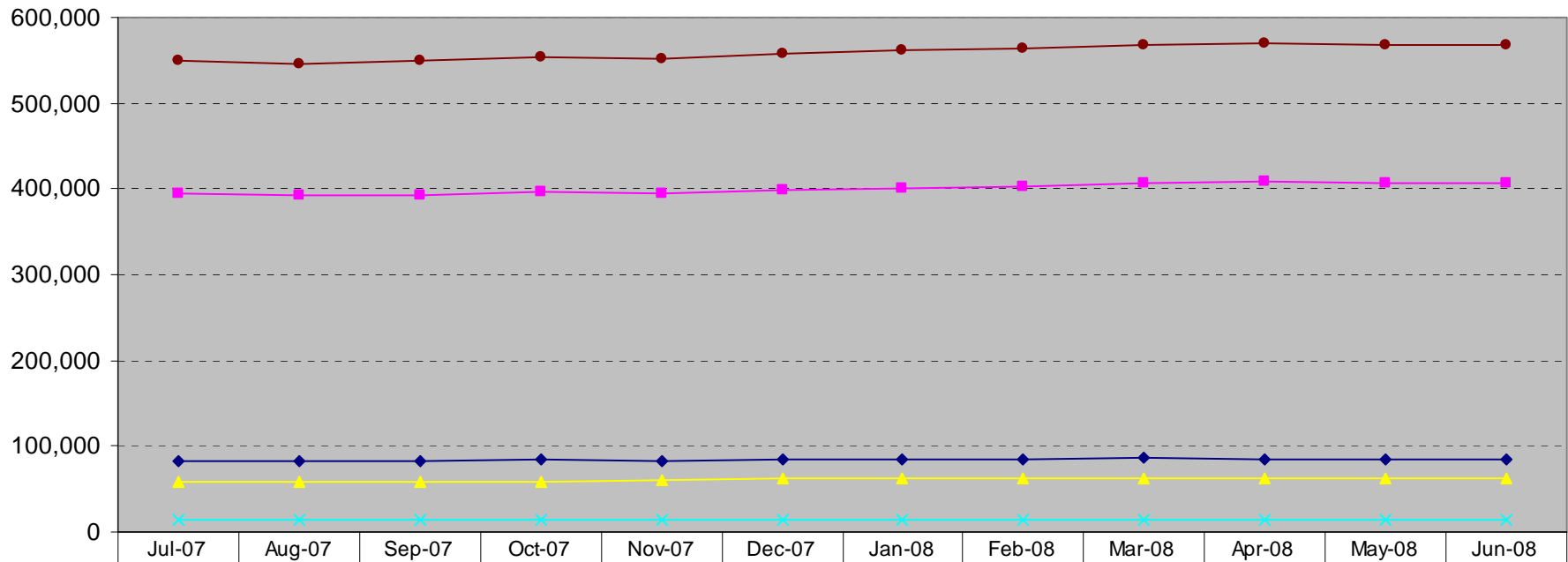
Care Programs Accomplishments



Restructure Care Programs Unit

- Combined HHW, Care Select and HIP into one management unit
 - Program teams oversee day to day management
 - Emphasis on data and quality/outcomes
- Created Provider & Member Services position
 - Focused effort to strengthen provider & member experiences
- Created Federal Relations & Compliance position
 - Facilitate CMS communications
- Created Traditional Medicaid position
 - Developing metrics around population

Hoosier Healthwise Membership by Population



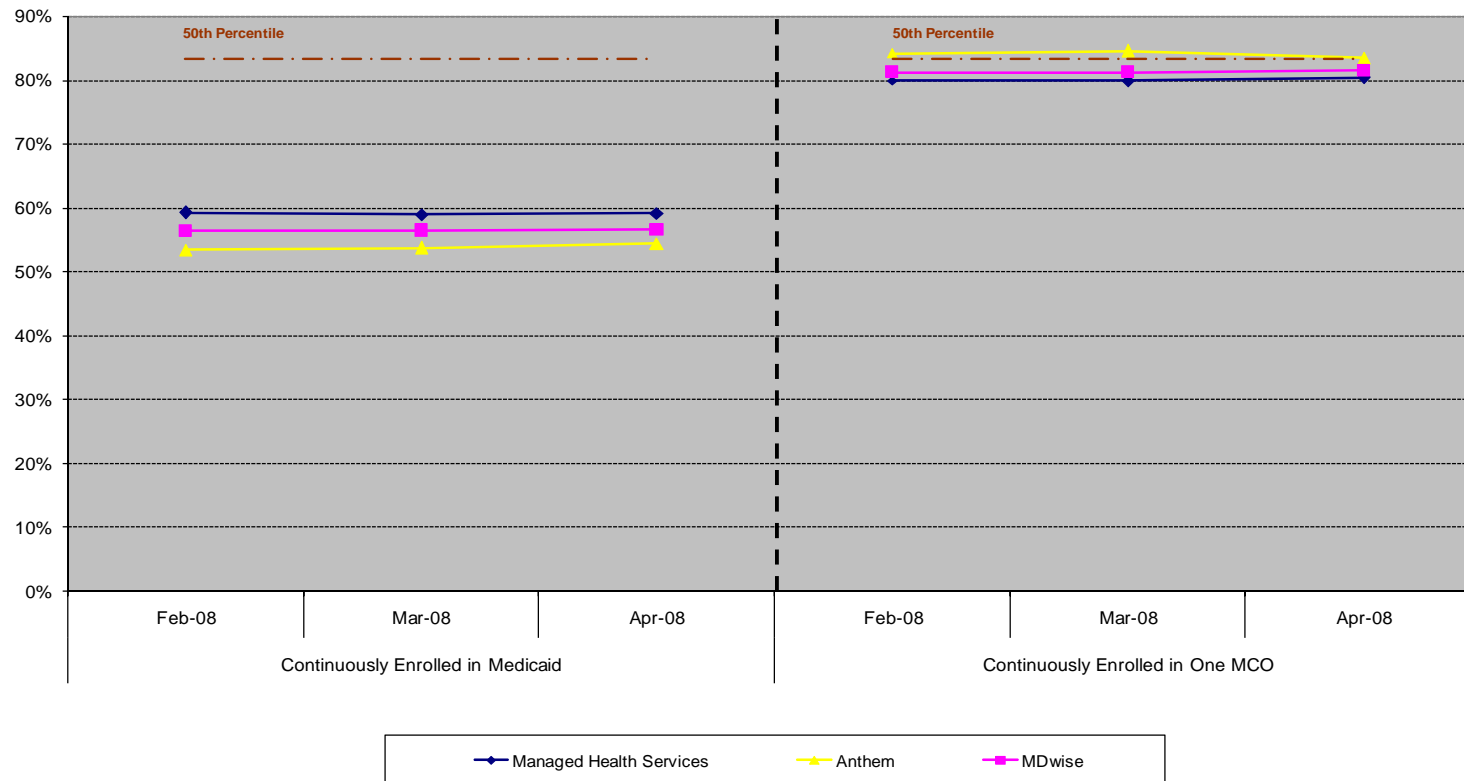
Notes:

- Hoosier Healthwise Risk-Based Managed Care Enrollees.
- Changed Auto-Enrollment 02/01/2008.

Source: MedInsight.

Data prepared by OMPP DMA

Hoosier Healthwise Prenatal Care



Benchmark	
MEAN	79.07%
10th Percentile	61.07%
25th Percentile	74.21%
50th Percentile	83.33%
75th Percentile	88.10%
90th Percentile	91.48%

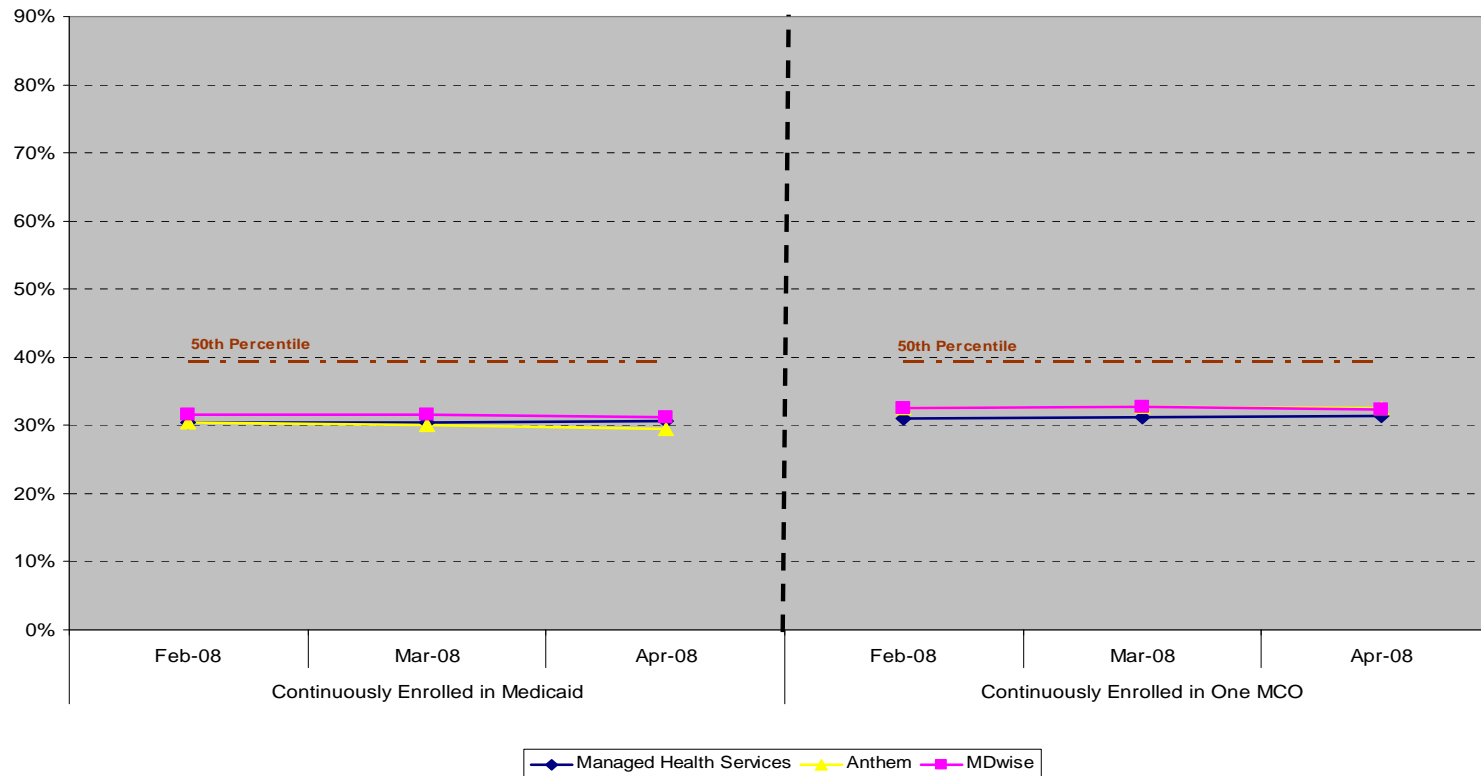
Benchmarks: Benchmarks selected based on National Quality Measures and Historical Data.

Frequency: Deliveries that received a prenatal care visit as a member of the MCO in the first trimester or within 42 days of enrollment.

Exposure: No age specified but continuous enrollment 43 days prior to delivery through 56 days after delivery. Each reported date contains 12 calendar months of experience.

	Continuously Enrolled in Medicaid						Continuously Enrolled in One MCO					
	February 2008		March 2008		April 2008		February 2008		March 2008		April 2008	
	Freq.	Expo.	Freq.	Expo.	Freq.	Expo.	Freq.	Expo.	Freq.	Expo.	Freq.	Expo.
MHS	3,341	5,639	3,353	5,689	3,301	5,579	3,322	4,156	3,375	4,222	3,339	4,153
Anthem	2,788	5,215	2,865	5,334	2,900	5,333	3,030	3,601	3,200	3,785	3,191	3,821
MDwise	6,387	11,337	6,411	11,352	6,328	11,175	7,205	8,868	7,213	8,877	7,146	8,763

Hoosier Healthwise Adolescent Well Care Visits



Benchmark	
MEAN	40.55%
10th Percentile	27.98%
25th Percentile	32.85%
50th Percentile	39.42%
75th Percentile	47.93%
90th Percentile	54.50%

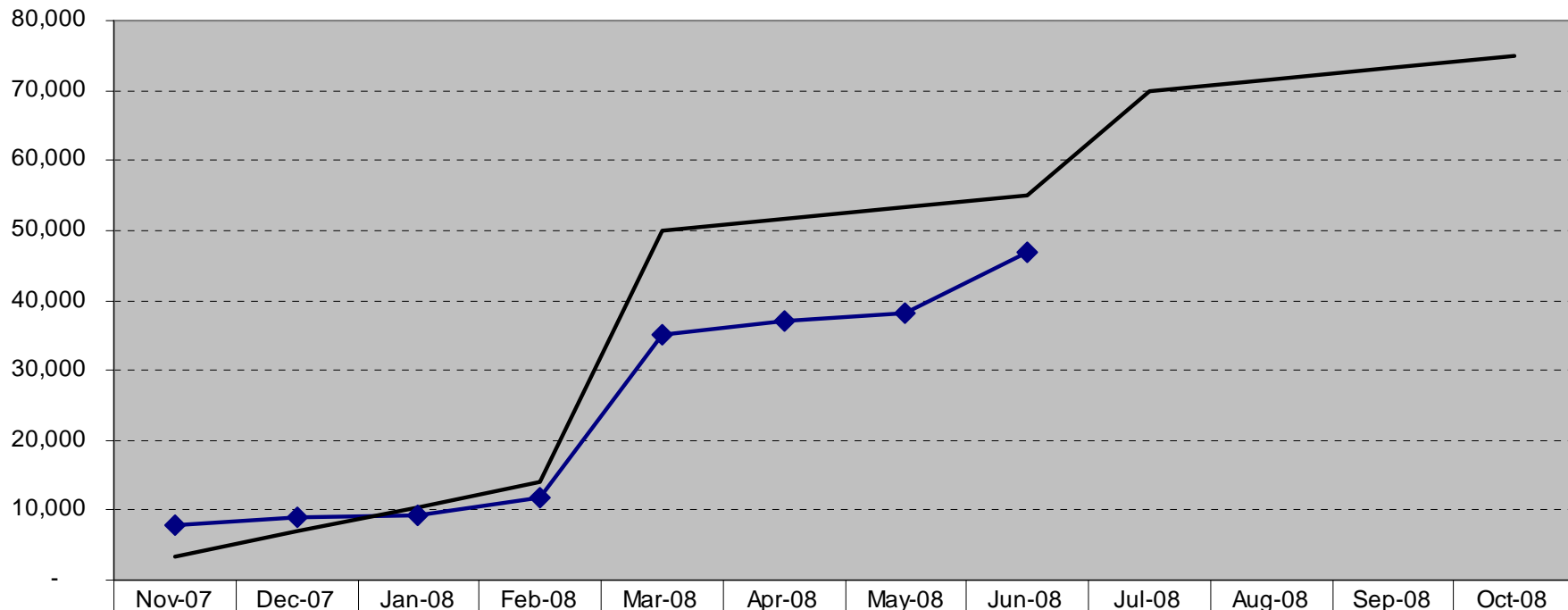
Benchmarks: Benchmarks selected based on National Quality Measures and Historical Data.

Frequency: Members who were 12–21 with at least one comprehensive well-care visit with a primary care or an OB/GYN practitioner.

Exposure: Patients 12–21 within the measurement year. Each reported date contains 12 calendar months of experience.

	Continuously Enrolled in Medicaid						Continuously Enrolled in One MCO					
	February 2008		March 2008		April 2008		February 2008		March 2008		April 2008	
	Freq.	Expo.	Freq.	Expo.	Freq.	Expo.	Freq.	Expo.	Freq.	Expo.	Freq.	Expo.
MHS	11,637	38,220	11,669	38,222	11,612	37,855	8,783	28,396	8,822	28,306	8,762	27,975
Anthem	6,520	21,474	6,744	22,439	6,847	23,158	4,253	13,062	4,446	13,568	4,501	13,867
MDwise	19,132	60,589	19,158	60,715	18,935	60,519	14,443	44,421	14,566	44,551	14,370	44,459

Care Select Membership



	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08
◆ Totals	7,923	9,032	9,222	11,879	35,019	36,929	38,298	46,864				
— Potentials	3,500	7,000	10,500	14,000	50,000	51,667	53,333	55,000	70,000	71,667	73,333	75,000
Advantage	2,008	2,305	2,366	2,704	12,624	14,167	14,841	20,652				
MDwise	5,915	6,727	6,856	9,175	22,395	22,762	23,457	26,212				

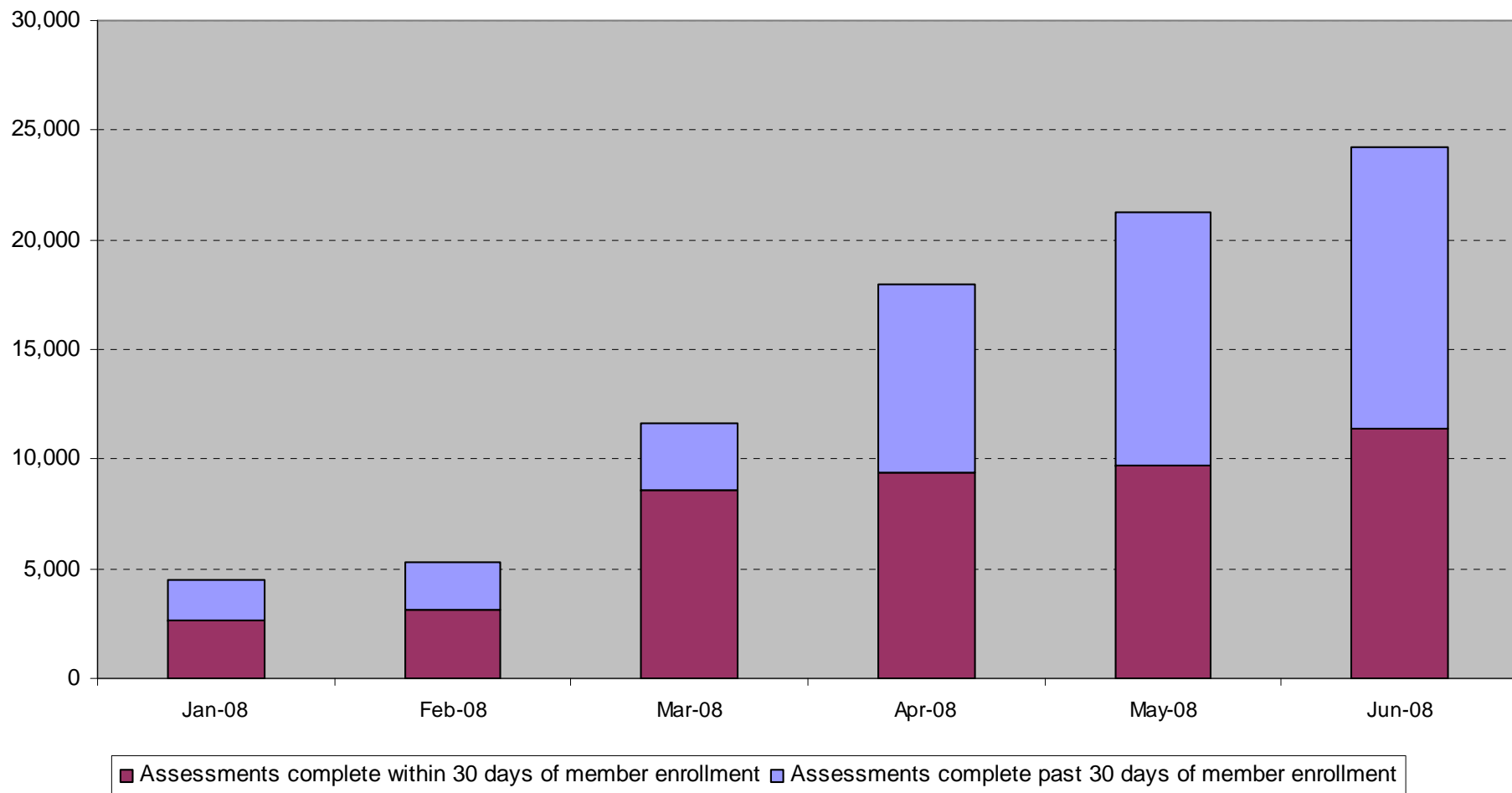
Notes:

- Care Select Enrollees.
- Enrollment and Assignment are not synonymous terms. A member may be assigned to a PMP prior to being enrolled in the Care Select program.

Source: MedInsight.

Data prepared by OMPP DMA

Care Select Member Assessments



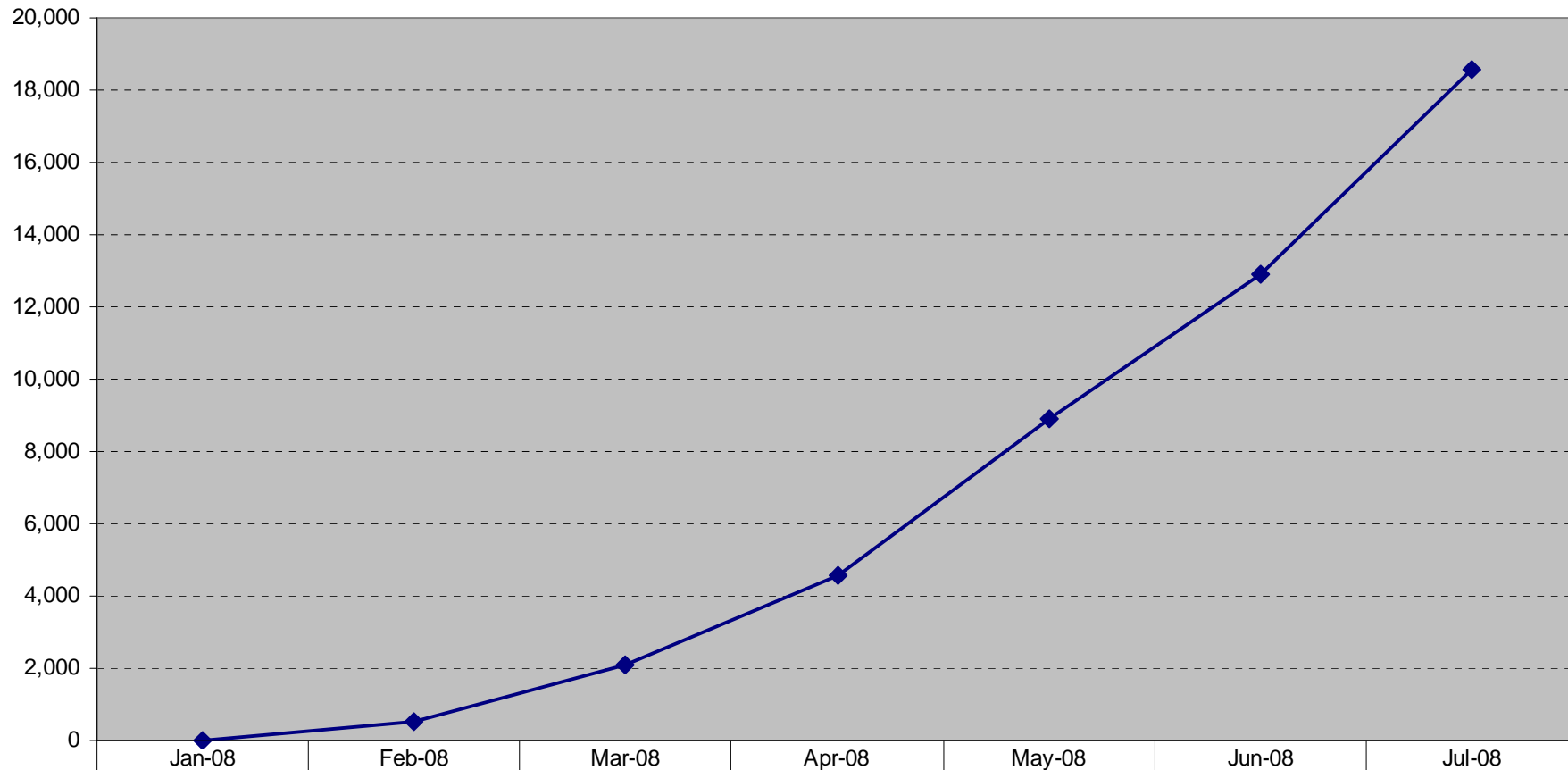
Notes:

- Care Select Enrollees.

Source: CMOs.

Data prepared by OMPP DMA

Healthy Indiana Plan Membership By Plan

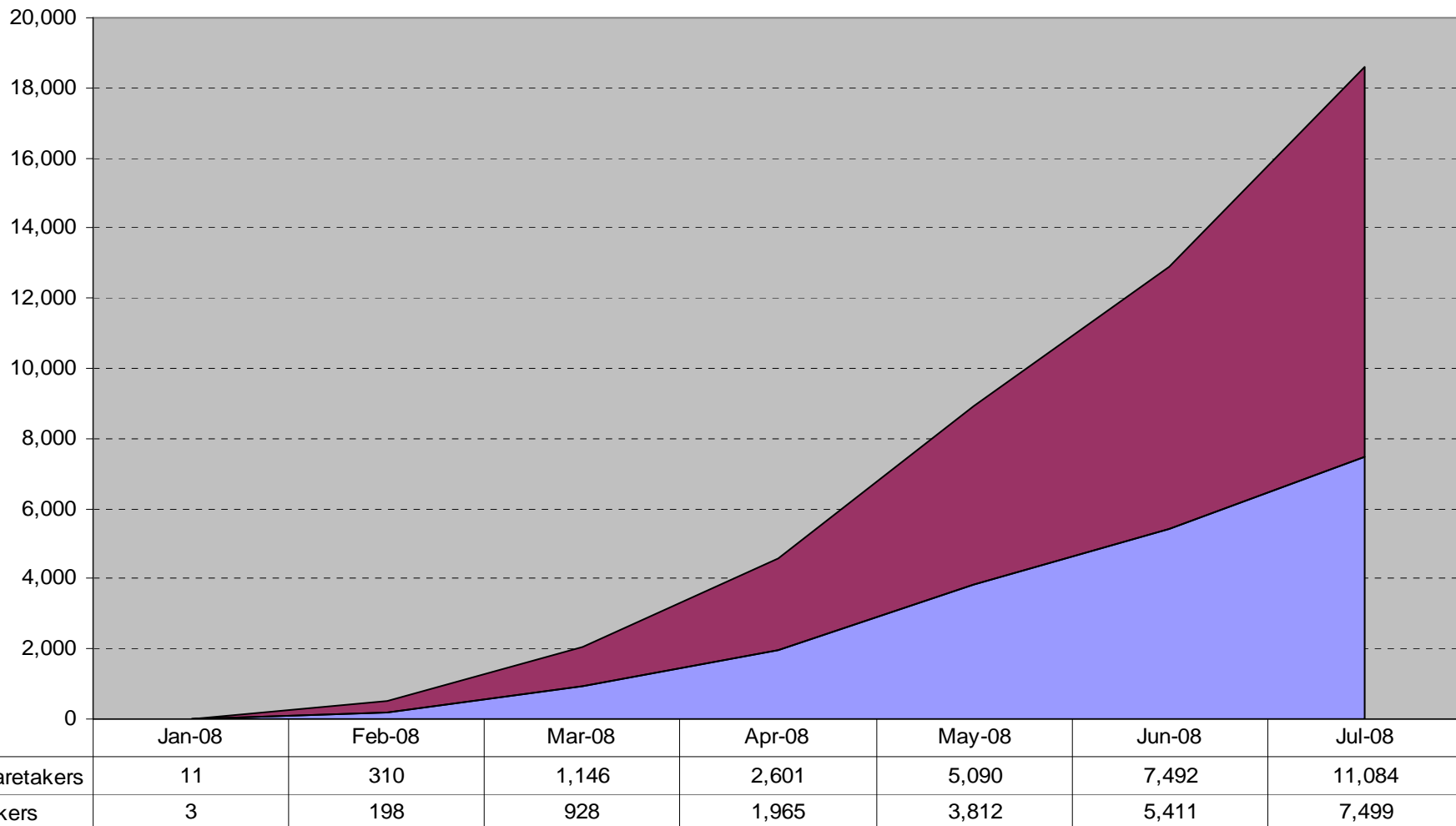


◆ Total	14	508	2,074	4,566	8,902	12,903	18,583
Anthem	8	368	1,594	3,462	6,840	9,802	13,745
MDwise	5	133	454	1,035	1,952	2,948	4,634
ICHIA/ESP	1	7	26	69	110	153	204

Source: Business Objects.

Data prepared by OMPP DMA

Healthy Indiana Plan Membership



Source: Business Objects.

Physician and Dental Rate Restructuring



- \$39M physician bonus payout in FY 07 & FY08
- Physician / Dental rate state dollar increase projections:
 - \$12.4M state dollars annually
- Success Factors
 - Increase the number of participating dentists and physicians
 - Improve physician satisfaction with the program

Quality and Outcomes Accomplishments



- Developed Quality Measure Reporting Matrix for MCO's and CMO's
- Identified data integrity issues
- Partnered with Indiana research community
- Integrated with ICHIA, Quality Health First Measures and Quality Committees
 - Bring needs of OMPP members to statewide initiatives

Quality Measures: Prenatal Care

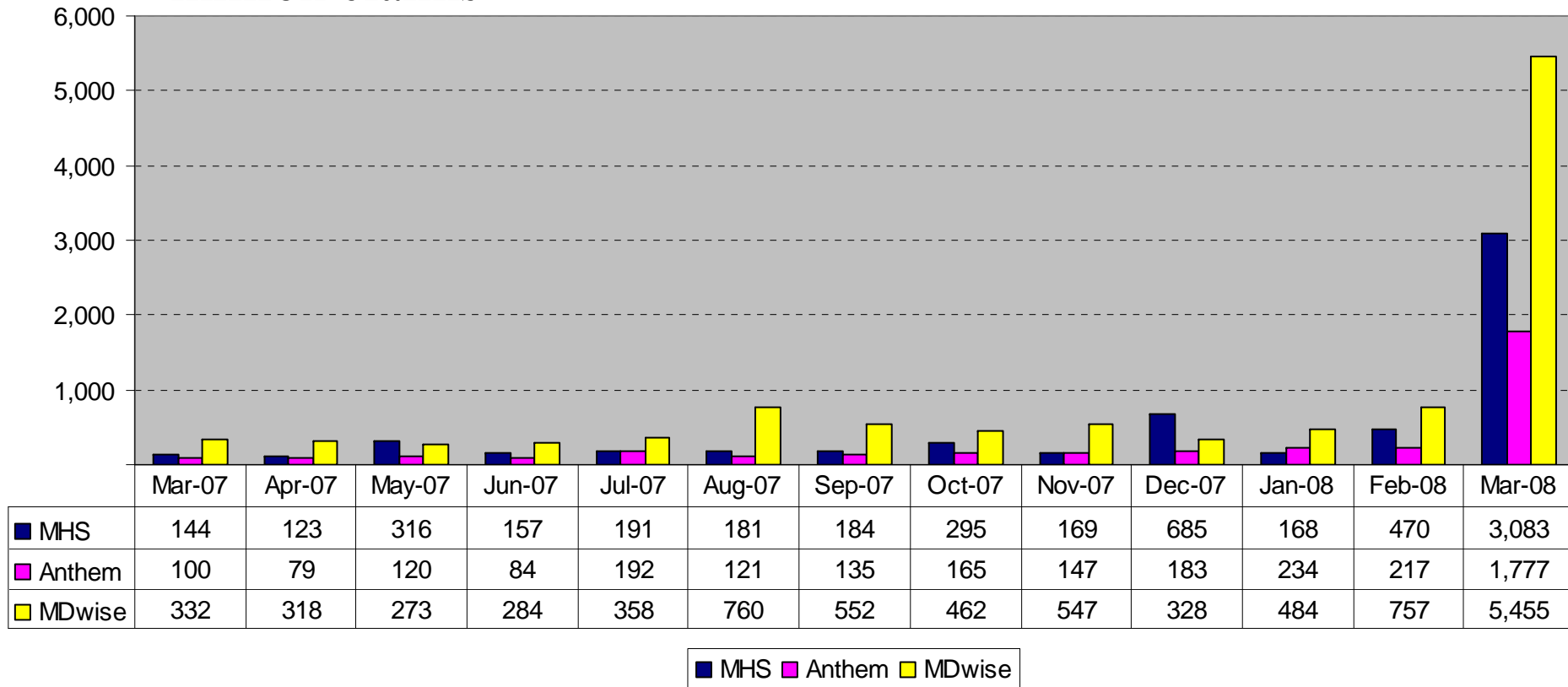


Measure	Type	Current Rate	National Standards	Target for Incentive	Goal
% with visit in the 1 st Trimester	OMPP Defined	26.5% (MedInsight May 2005-April 2008)	Non-Medicaid Overall National Percent from NCHS 2005 84.7%	TBD	Increase % Visits in 1 st Trimester Incent health plans to get providers to accept women pending eligibility
% LBW (newborn wt <2500 gr)	OMPP Defined	ISDH Data Linkage with OMPP Underway	Indiana 2005: 8.3% National 2005: 8.2%	TBD	Decrease Low Birth Weight Births
% Preterm (< 37 weeks)	OMPP Defined	ISDH Data Linkage with OMPP Underway	Indiana 2005 – 11.6% National 2005 – 11%	TBD	Decrease % Preterm Births
Frequency of Ongoing Prenatal Care (Based on 81% of expected prenatal visits adjusted for month of enrollment and gestational age)	HEDIS	2007, Audited Anthem: 57% MHS: 75% MDWise: 75%	HEDIS Medicaid (81% of expected visits) Mean: 58.6% 10 th – 33% 25 th – 49.4% 50 th – 62.9% 75 th – 71.7% 90 th – 78.6%	TBD	Goal: Increase Frequency of women receiving at least 81% of expected visits
Timeliness of Prenatal Care (% visit within first trimester or 42 days enrollment within MCO)	HEDIS	2007, Audited Anthem: 92% MHS: 89% MDWise: 91%	HEDIS Medicaid (% of Mean: 90.6% 10 th – 82.7 25 th – 88.4 50 th – 93.2 75 th – 95.9 90 th – 97.5	TBD	Goal: Increase timeliness of prenatal care for MCO enrollees

Quality and Outcomes Accomplishments



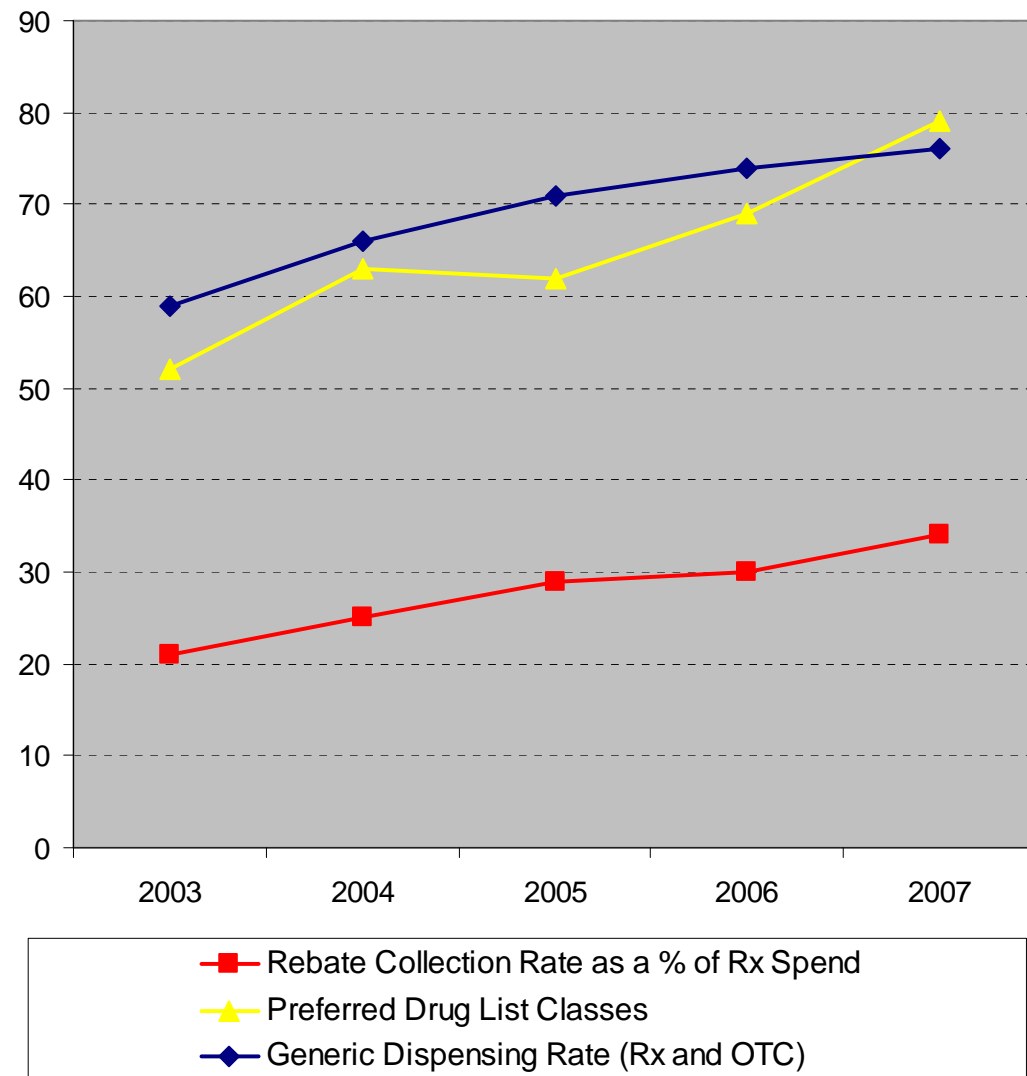
- Identified data integrity issues
 - Increased FY 2006-2007 Encounter Claims Volume by over 9 million claims



SFY 2008 Pharmacy Accomplishments- GDR, Rebate Administration and PDL



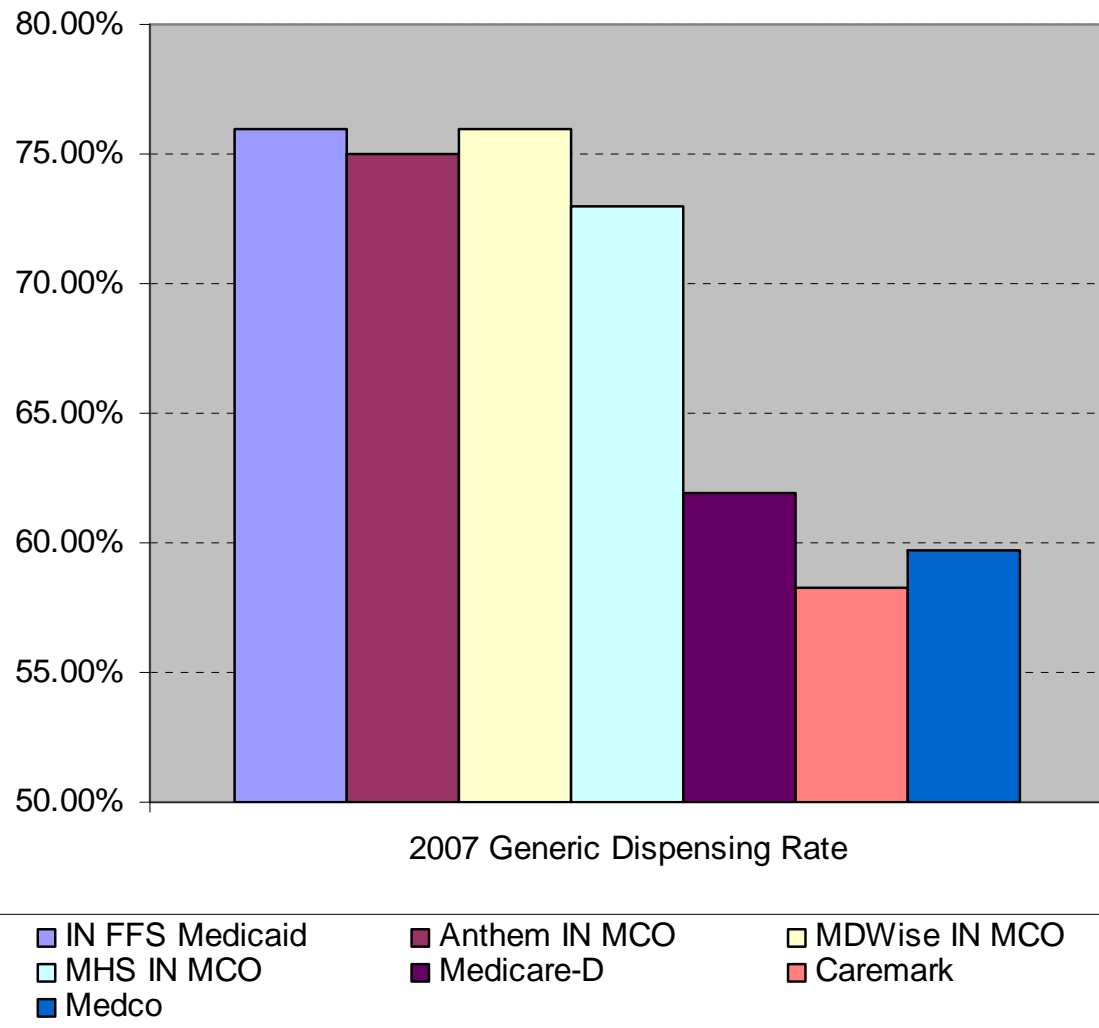
- Achieved all-time high generic dispensing rate (GDR) of 76%. 3rd amongst all fee-for-service Medicaid pharmacy programs.
- Each 1% increase in GDR results in a \$650,000 (S&F) decrease in annual pharmacy spend.
- Achieved all-time high rebate collection rate of 34% as a percentage of overall drug spend.
- Continued expansion of the drug classes reviewed through the Preferred Drug List clinical and financial review process. \$55 million (S&F) saved since 2003.



SFY 2008 Pharmacy Accomplishments- GDR, State MAC and Regulatory



- Exceeded industry benchmarks
- “Best in class” Indiana maximum allowable cost program. \$42 million in SFY 2008 savings (S&F)
- Implemented poly-pharmacy and dose optimization claim editing for the Mental Health Quality Advisory Committee. SFY2008-\$4 million (est) in savings (S&F)
- DRA Changes: Increased rebate collections approximately \$2.5 million (S&F)



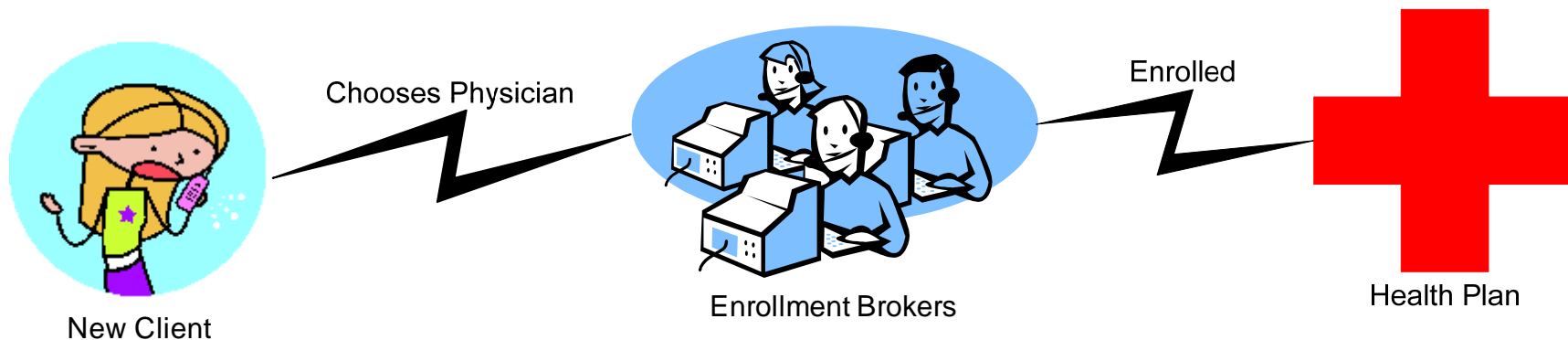
National Provider Identifier (NPI)



- NPI was successfully implemented on 5/23/08
 - Some states are not yet compliant, while others have implemented and reverted soon after due to claims payment issues
 - Only ~ 6% of claims are encountering NPI edit issues at this time

Enrollment Broker

- Successfully implemented enrollment broker services
 - Improve member outreach
 - Self-selection of health plans & PCP
 - Consolidated two contracts into one
 - Expected savings of \$2M dollars annually
 - Added auto-dialer technology to increase the ability to outreach to members for self selection



Fiscal Agent Services



- Executed 6 year contract that promises to improve provider and member services and satisfaction
 - Implemented call recording software & automated tracking system for provider inquiries
 - Integrated an Independent Quality Management Unit
 - Performance Measures
 - Monitoring
 - Improving Customer Support Processes

Policy Accomplishments: Moving Medical Policy In-House



- Strategic change from reliance on vendor to internal management
- Estimated Cost Savings ~\$500,000
- Increased Preliminary Response Time to Policy Inquiries – Average Response Time of 24 Hrs
- Policies and Research Housed in a central Policy Library



Transformation Grant: Health Information Exchange



- FSSA awarded \$1.3M grant to fund HIT infrastructure
- Partnered with Indiana Health Information Exchange
- Improved access to clinical health information
 - Evansville's St. Mary's Hospital, Deaconess Hospital, and Welborn Clinic networks
 - Summary of member utilization and clinical data, based upon an eligibility trigger

Goals & Objectives SFY 2009



SFY 2009 Strategic Initiatives



- Prenatal Care
- Outcome-Based Contracting
- Improve Access to Care for Indiana Children
- Evaluation of Disability Eligibility Policies
- Care Select Quality Strategy



SFY 2009 Strategic Initiatives



- Family Planning Waiver Implementation
- Behavioral Health Care Quality Strategy
- SUR Audit Services Procurement
- EPSDT Review and Strategy
- Personal Health Record Development





Prenatal Care Strategy

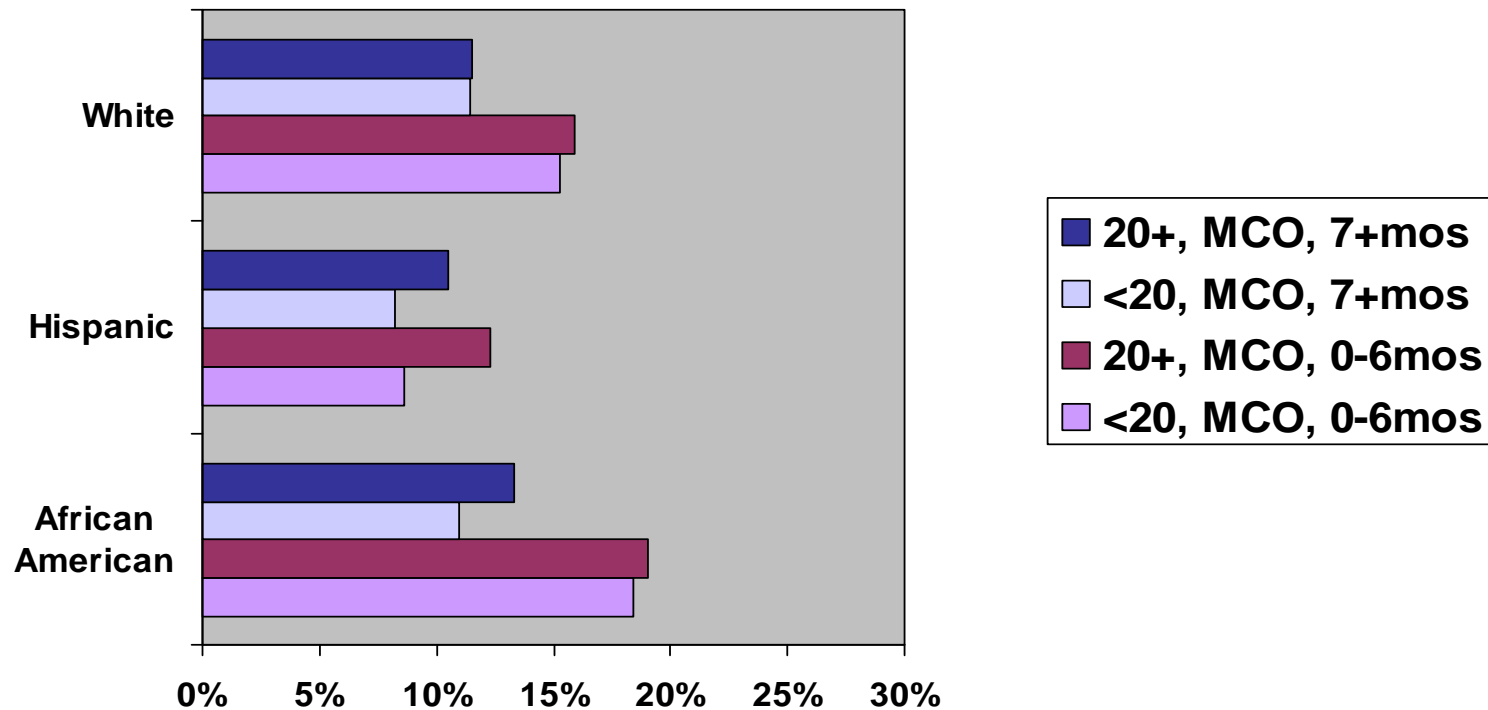


- ~1/2 of all IN births financed by Medicaid
- Complications up to 25% depending on mother's age and race
- FSSA/OMPP are dissatisfied with current performance

LBW and Complications: Effect of Coverage, Race, Age, and Months of Enrollment



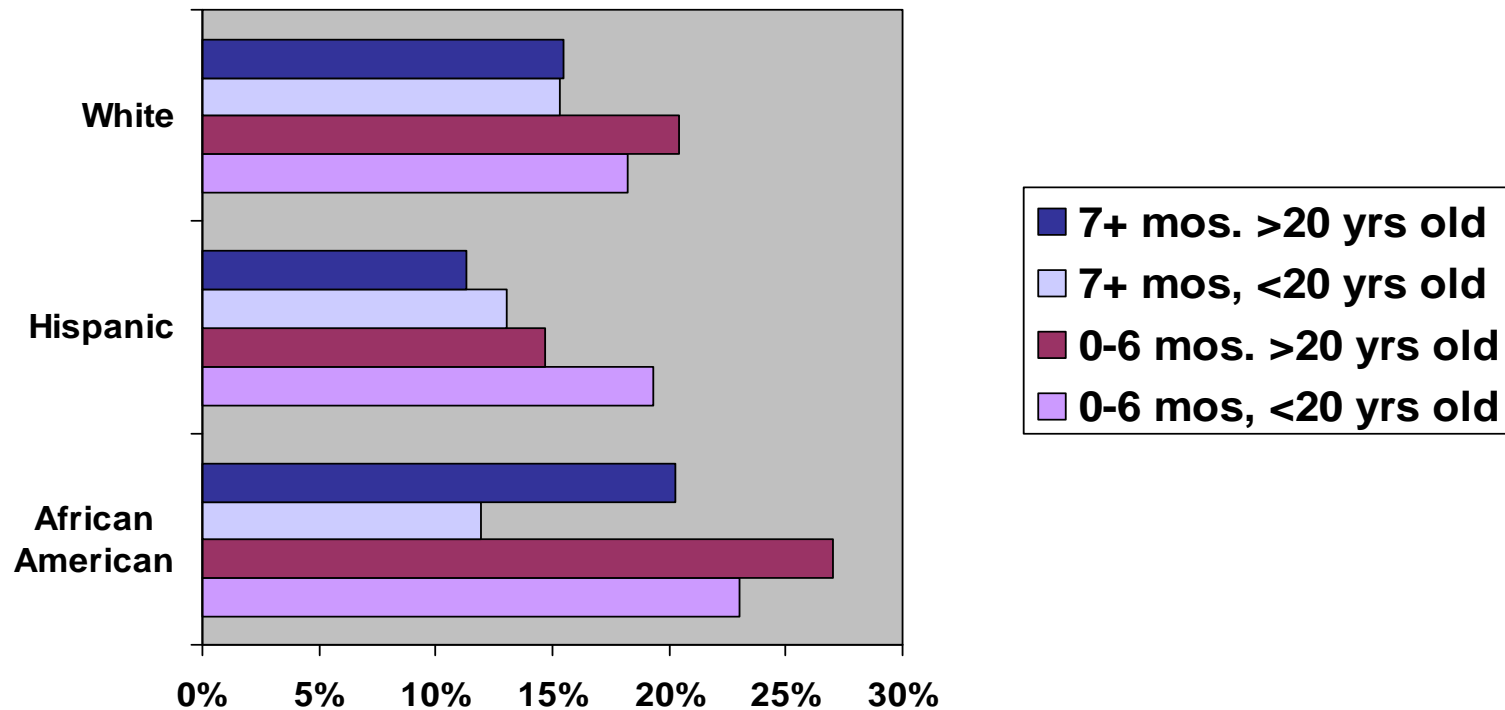
MCO Deliveries



LBW and Complications: Effect of Coverage, Race, Age, and Months of Enrollment



FFS Deliveries



Prenatal Care Strategy

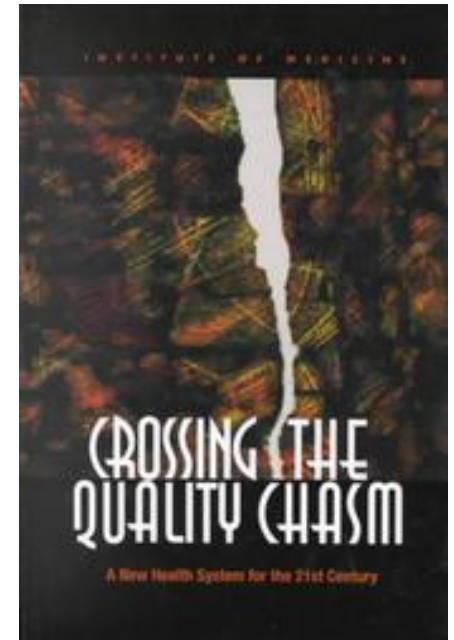
- Promote coverage: HHW & HIP
- Risk Factor Assessment
- Improved Access to Early Prenatal Care
- Ensure continuity of care for moms and kids
 - Annual Open Enrollment for MCO care
- Link to MCO care at time of enrollment
 - Reduce auto-assignment by supporting selection of MCO at enrollment
- Align MCO incentives to early prenatal care and birth outcomes
- Tobacco Cessation Policies



Outcome-Based Contracting



- P4P linked to OMPP strategic plan and vulnerable populations
- Services should be timely, effective, equitable, & patient-centered with demonstrable results
- Targets based on administrative data received by OMPP
 - Enforce delivery of MCO claims data to OMPP
- Target Initiatives and Populations
 - Prenatal Care
 - Well Child and Adolescent Care
 - Behavioral Health Care
 - Preventive Care
 - Tobacco Cessation
 - Prevention of Hospitalization and ER Utilization
 - High Utilizers
 - Pharmacy Adherence



Improved Healthcare for Indiana's Children



- SCHIP Expansion to 250% of FPL
 - SCHIP Expansion expected to provide insurance for 10,000 more Hoosier Children
 - Roll Out Scheduled for October 2008
 - Care incentives link to EPSDT and quality performance initiatives
- Transition Wards & Fosters to Care Select
 - Data revealed high utilization of mental health and medical services
 - Coordinated care



Evaluation of Disability Eligibility Policies



- Indiana is a 209B state—disability determination not linked to SSI benefit
- OMPP leading review and evaluation of current policy
 - Cross-cutting review of clinical, financial, eligibility determination issues
 - Develop comprehensive recommendations that address health care value for disabled persons

- Partner with CMOs in Care Select retreat
 - Develop unified selection of initiatives and goals across plans
- Data-based development of quality strategy
 - Evaluation of member stratification and assessments
 - Link utilization data to target populations
 - High utilizers
 - Diagnosis specific
 - Behavioral health integration for all with chronic disease
- Right service to right person at right time
 - Avoid Unnecessary ER and Hospital Utilization
 - Pharmacy Adherence
 - Arcadia Daily Med research project
- Population-driven selection of measures
 - Selection of P4P across spectrum of populations in Care Select (e.g. waiver services, wards and fosters, mentally ill)

Family Planning Waiver (FPW) Implementation



- Reduce barriers for family planning to women with one or more children
- Coverage for two years following birth of child
- Link to prenatal care initiative
- Develop evaluation metrics
 - Demographics of enrolled women
 - Utilization of services
 - Benchmarks against other states



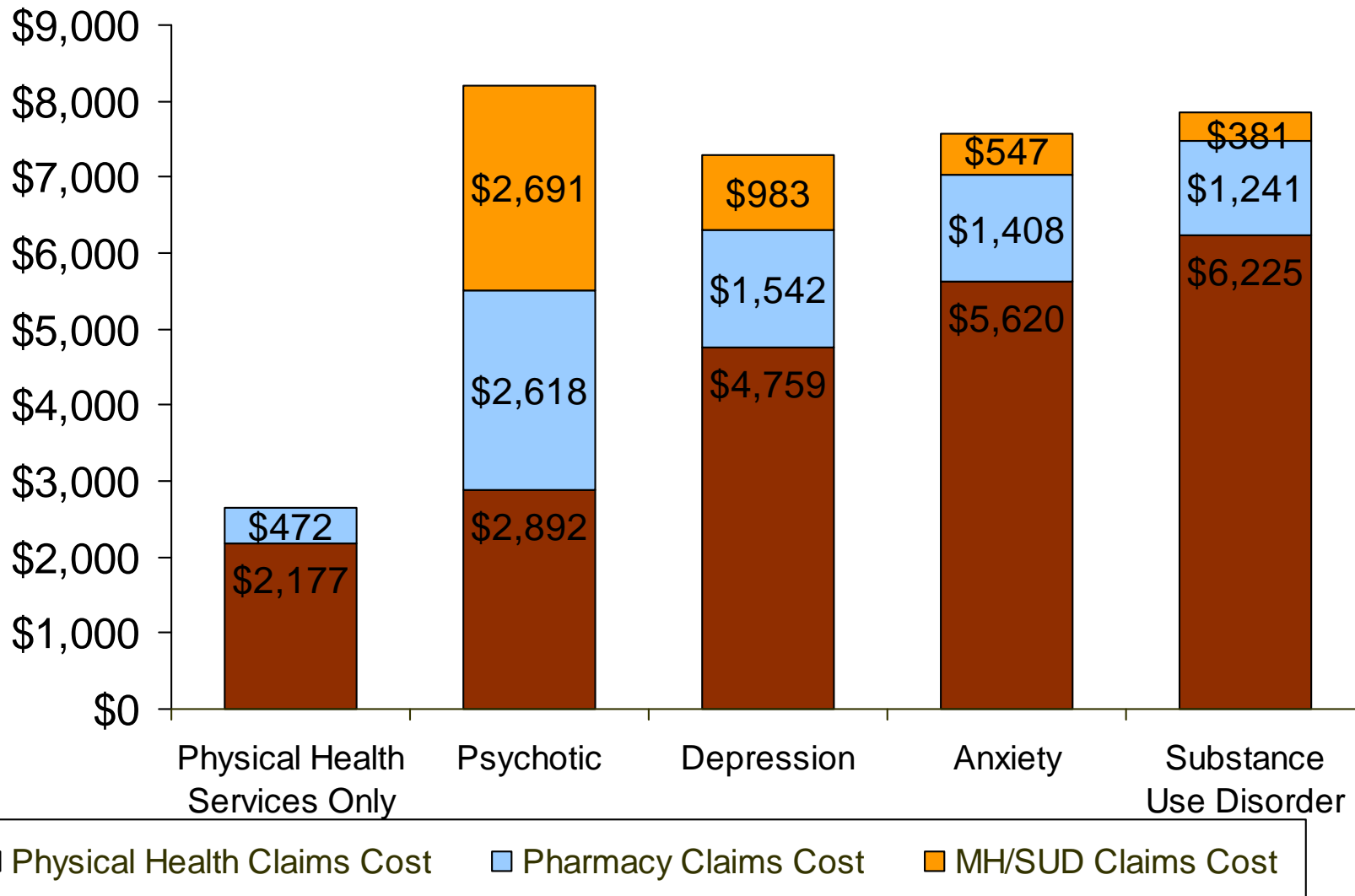
Behavioral Health Strategy



- Behavioral Health conditions affect up to 40%
- Initiatives
 - Quality-based Initiatives and Outcomes
 - Partners with DMHA in Mental Health Transformation
 - Integration of Physical and Behavioral Health Services



Claims Expenditures for 6,500 Medicaid Patients With and Without MH/SUD Service Use

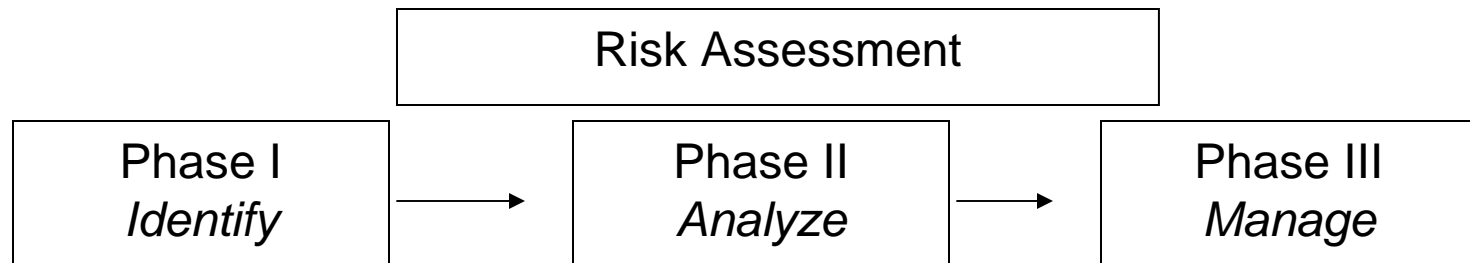


EPSDT Strategy

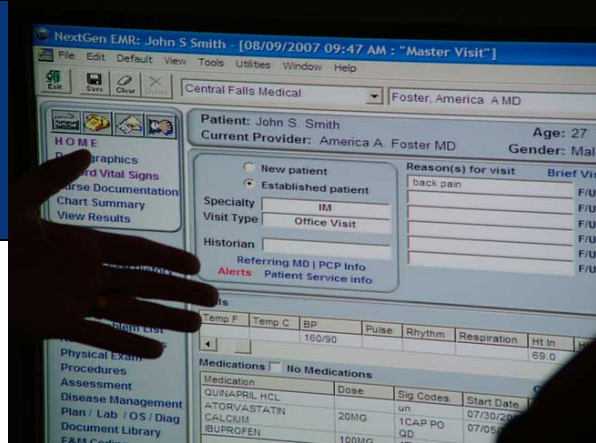


- Federally required services for Medicaid funded children under age 21
- Conducting gap analysis between current services and EPSDT recommendations
- Coordination of EPSDT initiatives with other quality strategies
 - Prenatal strategy via the adolescent care visits
 - Well child visits
 - Children's behavioral health care

Program Integrity Strategy



- Procure Audit Services
- Improve Program Integrity Management



Personal Electronic Health Record



- Significant Potential Value with Health Information Technology & Electronic Medical Records
- Providers access up to date clinical information to inform decision making
- Activates patients to take active role in medical care and transfer of information

Questions

